

Minutes of the meeting held on May 10, 2018

Present: Francis Murphy – Chair, James Monagle, Michael Gardner, John Shinkwin, Ellen Philbin, James Quirk and Chris Burns.

Absent: Nadia Chamblin-Foster

The meeting was called to order at 11:06 AM. The meeting was digitally recorded.

Agenda Item #1 – Minutes

Motion by Shinkwin, seconded by Gardner to accept the regular minutes of the meeting held on April 2, 2018. Voted unanimously.

Motion by Shinkwin, seconded by Monagle to accept the executive session minutes of the meeting held on April 2, 2018. Voted unanimously.

Agenda Item #2 - Warrants

Motion by Monagle, seconded by Shinkwin to accept payment of warrant #8 in the amount of \$7,121,141.09 and to accept payment of warrant #9 in the amount of \$857,836.72. Voted unanimously.

Agenda Item #3 – Superannuations

Motion by Gardner, seconded by Shinkwin to accept the Superannuation retirement applications submitted by Gary Agnello, Engineer, Dept. of Public Works with fifteen years, ten months; Margarida Alicandro, Hostess, Cambridge Health Alliance with forty years, eight months; Donald Bombino, Detective, Police Dept. with thirty-five years; Vali Buland, First Assistant City Solicitor, Law Dept. with twenty-seven years, eleven months; Jean Burbidge, Clinical Nurse Specialist, Cambridge Health Alliance with twenty-four years, four months; Delroy Cameron, Milieu Counselor, Cambridge Health Alliance with fifteen years, five months; Jane Dalton, RN, Cambridge Health Alliance with eighteen years, four months; Vibol Duong, Surgical Technician, Cambridge Health Alliance with thirty-one years, six months; Odette Esselman, Medical Assistant II, Cambridge Health Alliance with twenty-eight years; Paul Ferola, Senior Custodian, School Dept. with twenty-two years, three months; John Fulkerson, Sergeant, Police Dept. with thirty-three years, three months; John Gardner, Sergeant, Police Dept. with thirty-two years; Brenda Gilchrist, Dispatcher, Emergency Communications Dept. with twenty-eight years, one month; Steven Kadlec, Laborer, General Services with thirty-five years, two months; Virginia Kelley, Senior Clerk, Election Commission with thirty-six years, six months; Virginia Lane, Staff Nurse, Cambridge Health Alliance with fourteen years, four months; Susan Maycock, Survey Director, Historical Commission with thirty-eight years, six months; Glenn Turner, Wireless Telecommunications Manager, Emergency Communications Dept. with twenty-one years, one month; Paula Walsh, Vascular Lab Supervisor, Cambridge Health Alliance with ten years, four months; Lorraine Ward, Staff RN, Cambridge Health Alliance with thirty-three years, nine months. Voted unanimously.

Agenda Item #4 - Make-ups/Redeposits / Liability

The Board reviewed make-up and redeposit worksheets for four members.

Motion by Gardner, seconded by Monagle to allow the make-up of contributions requested by Stephen Boudrow, one year, six months; Kalin Mitchell, nine months; also to allow the redeposit of refunds requested by Brian Rowe, one year, six months; and Lee Vieira Resendes, two years, four months. Voted unanimously.

Agenda Item #5 – Refund Applications

The Board reviewed a list of refund applications submitted in April.

Motion by Shinkwin, seconded by Monagle to accept seven refund applications. Voted unanimously.

The Chairman requested to adjourn the open meeting and go into executive session for the purpose of discussing disability retirement applications. The Chairman stated that the meeting would reconvene in open session at the conclusion of the executive session. On a roll call, the vote was as follows:

Michael Gardner:	YES
John Shinkwin:	YES
James Monagle:	YES
Francis Murphy:	YES

Agenda Item #6 – Accidental Disability Application – Brian Buckley

The Board reviewed the member's application, treating physician's statement and employer's statement pertaining to Brian Buckley's accidental disability application. Thomas Gibson and Gerry McDonough appeared, representing the member.

Motion by Shinkwin, seconded by Monagle to accept the Accidental Disability application filed by Brian Buckley and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #7 – Accidental Disability Application – Gilbert Carrillo

The Board reviewed the member's application, treating physician's statement and employer's statement pertaining to Gilbert Carrillo's accidental disability application. Thomas Gibson and Gerry McDonough appeared, representing the member.

Motion by Gardner, seconded by Shinkwin to accept the Accidental Disability application filed by Gilbert Carrillo and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #8 – Accidental Disability Application – Brian O'Regan

The Board reviewed the member's application, treating physician's statement and employer's statement pertaining to Brian O'Regan's accidental disability application.

Motion by Gardner, seconded by Monagle to accept the application filed by Brian O'Regan and to request that PERAC convene a medical panel. Voted unanimously.

Agenda Item #9 – Accidental Death Benefit – Robert Dunn

The Board reviewed the correspondence from Attorney Gibson, medical records, injury reports, Mr. Dunn's death certificate, an affidavit from Dawn Dunn, and proposed findings of fact prepared by Attorney Gibson. Dawn Dunn, Joseph Dunn, Thomas Gibson and Gerry McDonough appeared before the Board.

Gardner moved to grant Accidental Death benefits to Dawn Dunn, based on the evidence in the report from Dr. Tuerk, and the affidavit filed by Mrs. Dunn. Shinkwin seconded the motion and it was voted unanimously.

Agenda Item #10 – Accidental Disability Benefit – Michael Travers

The Board reviewed the certificate and narrative reports from three separate medical exams, the member's application, treating physician's statement and employer's statement pertaining to Michael Travers' accidental disability application. Thomas Gibson and Gerry McDonough appeared, representing the member.

Motion by Gardner, seconded by Shinkwin to accept the findings of the medical panel and to grant Accidental Disability benefits to Michael Travers, a Fire Lieutenant. Voted unanimously.

Agenda Item #11 – Accidental Disability Application – Robert Violanto

The Board reviewed the member's application, treating physician's statement and employer's statement pertaining to Robert Violanto's accidental disability application.

Motion by Gardner, seconded by Monagle to accept the Accidental Disability application filed by Robert Violanto and to request that PERAC convene a medical panel.

Agenda Item #12 – Annual Statement

The Board reviewed the 2017 Annual Statement.

The Director stated that assets are now over \$1.3 billion. She also reviewed membership statistics. Membership in the Cambridge Health Alliance continues to decline. Membership in the other units is stable.

Motion by Shinkwin, seconded by Monagle to accept the 2017 Annual Statement. Voted unanimously.

Agenda Item #13 - PERAC Memos

The Board reviewed PERAC Memos 16 and 17.

Quirk stated that PERAC is continuing to wrestle with the impact of the Vernava decision. The most recent memo reverses several instructions from the February memo. Quirk stated it is likely that PERAC will have to issue further clarifications on this issue.

Agenda Item #14 - Old Business

Not needed.

Agenda Item #15 - New Business

The Chairman stated that the system received a letter from a Cambridge resident expressing concern over the retirement of Polyxane Cobb, and questioning her eligibility for benefits. Gardner stated that the City has long considered Election Commissioners to be eligible for health benefits and membership in the retirement system. The Director stated that she has conferred with the Election Commission when previous commissioners retired, and confirmed that they are considered full-time employees. Quirk stated that PERAC has long held that employers may classify employees as full time if they are working the maximum number of hours defined for that position. Monagle stated that he would dispute the characterization in the letter that Election Commissioners work only one or two days per year. Motion by Gardner, seconded by Monagle to accept the Superannuation application submitted by Polyxane Cobb, Commissioner in the Election Commission with ten years, eight months. Voted unanimously. Gardner requested that the staff respond to the letter and explain the Board's action.

Agenda Item #16 - Executive Session

Agenda Item #6 – adopted

Agenda Item #7 – adopted

Agenda Item #8 – adopted

Agenda Item #9 – adopted

Agenda Item #10 – adopted

Agenda Item #11 – adopted

Agenda Item #17 - Chairman's Report

The Chairman reported that he and the Director attended a Segal presentation on actuarial issues. He spoke to Kathy Riley following the presentation. He stated that he would be open to moving to a 7.5% return assumption, and adopting a new mortality table. Depending on the cost, the Chairman stated that he might be open to lowering the return further, to 7.375%. Monagle stated that he hoped the Board would continue to work consult with the City as they consider making actuarial changes. He noted that when the City's bond rating is reviewed, the stability of the

funding schedule and the fact that the full funding date has remained unchanged are both helpful.

Kathy Riley will present her preliminary numbers to the Board on June 11.

The Chairman reported that he was deposed as part of the securities case involving Starz. If there is no settlement, the case could go to trial in October.

Agenda Item #18 – Executive Director’s Report

The Director stated that PERAC auditors have begun working in the office. They will likely take between six and eight weeks to finish the audit. KPMG will also begin their audit of the system in June.

The following documents were also reviewed by the Board:

- List of Retiree Deaths
- January Financials: General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers.
- February Financials: General Ledger, Summary of Accounts, Trial Balance, Adjustments, Cash Disbursements, Cash Receipts, Wire Transfers.
- Manager/Vendor Disclosure Statements: Aberdeen Emerging Markets Equity Fund, Ascent Venture Partners II, Ascent Venture Partners V, BlackRock DivPEP Vesey Street Fund V, Hamilton Lane Private Equity Fund VI, Hamilton Lane Private Equity Fund VIII, Income Research & Management, Labaton Sucharow LLP, Landmark Equity Partners XV, Lexington Capital Partners VIII, Segal Marco Advisors, Wedge Capital Management, Wellington Emerging Markets Local Debt Fund.
- Lazard Portfolio Review, March 2018.

Monagle moved to adjourn at 2:15 PM.